

REQUEST FOR INFORMATION

The State Bar of California Personal Lines Automobile or Combined Automobile and Homeowners Insurance Joint Venture

This is a Request for Information (“RFI”) to survey the personal lines automobile and, in the alternative, the combined personal lines automobile and homeowners insurance (collectively, “Personal Lines”) market. The primary purpose of this RFI is to obtain information regarding possible arrangements for the establishment of a Personal Lines program run by the State Bar of California.

I. Introduction

The State Bar of California (“State Bar”), created in 1927 by the California Legislature and adopted into the California Constitution, is a public corporation within the judicial branch of California state government. Among its other activities, it has also provided its over 190,000 members with various voluntary insurance programs (e.g., professional liability, life, disability, workers’ compensation) and now wishes to research the possibility of offering Personal Lines. Further, the State Bar is interested in the possibility of establishing a joint venture by which workload and fees would be shared between the State Bar and a licensed broker or insurance agency with the expectation that eventually the State Bar would fully service the program.

II. Background

The State Bar has more than 190,000 members, of which approximately 160,000 are resident in California. On average, around 4,500 new members are admitted each year. The Committee on Group Insurance Programs, which is directing this RFI, is made up of volunteer attorneys with experience in the field of insurance.

The State Bar’s goals are, generally, improving the quality of service to State Bar members, protecting the public, and providing additional revenue to the State Bar. Thus, the State Bar would like to explore the possibility of introducing a high quality and cost effective Personal Lines program to its membership. The State Bar further believes that a joint venture with an insurance agency may provide a good vehicle to achieve these goals. We envision a joint venture in which the State Bar or an affiliate would act as the named agency and share the workload and fees with an existing agency for several years, working towards the goal of becoming a stand-alone agency.

The State Bar would appreciate your answers to the questions below to assist us in exploring the idea of establishing this kind of project and understanding the market for both this insurance product and the relationship described in the previous paragraph. In addition, we welcome any additional information or suggestions.

No contract will be awarded based on this RFI. Participation in the RFI is optional; a response to this RFI is not a requirement of any subsequent procurement. This RFI and any responses to it are non-binding -- neither the State Bar nor any respondents to this RFI have any obligations under the RFI. Responses may be used to structure a Request for Proposals (RFP), from which a contract may be awarded. If the State Bar decides to create an RFP, a copy will be distributed to all respondents to this RFI and will be posted on the State Bar website.

III. Information Requested

The State Bar requests that you provide answers to the following questions in order to survey the market regarding possible arrangements for delivering Personal Lines to its members. The State Bar's primary goal is to determine the most effective way to deliver a stable, high quality product at competitive cost, while increasing its non-dues revenue.

1. What is your experience in providing Personal Lines to groups and can you provide a description of the programs most analogous to that proposed by the State Bar?
2. Can you provide coverage in all 50 states?
3. What is your experience in developing marketing plans and product development for group programs? And have you utilized marketing techniques other than direct mail, e.g., internet, agency referral/solicitation, etc.?
4. What limits can you provide and what other personal lines insurance coverages can you offer?
5. What measures have you used in the past to gauge the success of the marketing effort?

What percentage of the membership of an organization like the State Bar should be enrolled in the program for it to be a success?

6. Are you able to personalize the underwriting function to provide flexibility in special circumstances?
7. Do you have the capacity to capture and report comments from applicants concerning:
 - marketing
 - underwriting
 - policy issuance
 - administrative services
 - competitiveness of product?
8. Have you ever entered into a joint venture with an insurance agency affiliated with the sponsoring organization? If you have, or are you otherwise willing to create such a relationship
 - what was or will be its structure
 - what staff and funding would you expect the State Bar to provide in the initial stage and later to operate as a stand-alone agency?
 - what would you expect the range of revenues to be available to the State Bar from both the initial and stand-alone stages?
9. What compensation arrangements and alternatives are you willing to enter into, including:
 - commissions based on a percentage of premiums and, if so, what is the highest first year and renewal commission levels you believe would still permit you to build a successful a program
 - compensation based on a percentage of premiums for marketing services and compensation for administrative services based on an appropriate measure of work performed
 - compensation for both marketing services and administrative services based on appropriate measures of work performed?

10. Do you believe a commercial automobile program could be included in the program?

11. In conclusion, please tell us about any unique qualifications you may have to participate in this program?

IV. Administration of this RFI

Please submit three copies of your response to this RFI, titled "Request for Information: State Bar Personal Lines Insurance Joint Venture" to:

Ms. Raquel Hines
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The State Bar of California
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THE DEADLINE FOR SUBMISSION IS 5 p.m. on March 25, 2004,

Questions regarding this RFI must be submitted in writing. Answers to questions will be posted on the State Bar's website, www.calbar.ca.gov. This RFI is issued for information and planning purposes only and does not constitute a solicitation. Responses to this RFI are not offers and cannot be accepted as a binding contract.

Respondents are solely responsible for all expenses associated with responding to this RFI and responses will not be returned.

Unless otherwise required by law, the State Bar will treat as confidential those materials submitted by respondents marked as confidential.

The State Bar reserves the right to cancel or reissue this RFI, or to change the time for response or any other term of the RFI without obligation or liability.

This RFI will be posted on the State Bar's website, www.calbar.ca.gov and mailed upon request.